



MG202 August-December 3:00

Macroeconomics

Instructor

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Teaching Assistant

Email:

Department: Management Studies

Course Time: Monday & Wednesday: 4.00 p.m. to 5.30 p.m.

Lecture venue: Class Room II

Detailed Course Page:

Announcements

Brief description of the course

The course aims at enabling students to learn, macroeconomic concepts, theories, principles, and empirical developments in the context of India. This is primarily meant for Post-Graduate Management students.

Prerequisites

An under-graduate degree would enable comfortable learning.

Syllabus

• Microeconomics Vs Macroeconomics

• Macroeconomic Concepts: GDP and GNP, National Income, Personal Income, Disposable Income, Nominal and Real GDP, Its Measurement, Expenditure and Income components, Savings, Investment, Business Cycle, Unemployment, Potential Real GDP and Economic Growth

• Aggregate Demand and Aggregate Supply, Macroeconomic Equilibrium, Recessionary GDP Gap and Inflationary GDP Gap.

â€¢ Classical Model of Macroeconomic Equilibrium

â€¢ Keynesian Model of Macroeconomic Equilibrium: The Consumption Function, Investment Purchases, Government Expenditure, Multiplier, Foreign Trade

â€¢ Evaluation of Keynesian Contribution. Is it relevant today?

â€¢ Functions of Money, Money and Near Money, Demand for Money, The Monetary base, Money Supply.

â€¢ Banking: How Banks create money? The Reserve Multiplier, Bank Portfolio Management.

â€¢ Monetary Policy and Its Instruments: Required Reserve Ratio, Open Market Operations and Discount Rate.

â€¢ Stabilization Policies: Stabilization through Monetary Policy, Income Velocity of Circulation of Money, The Equation of Exchange, Monetarism.

â€¢ Stabilization through Fiscal Policies. Automatic stabilizers. Supply side Fiscal Policies.

â€¢ Issues in Stabilization Policy. Inflation versus Unemployment and Rational Expectations. Phillips Curve.

â€¢ A Comparison of Views: The Classical School, Keynesians, Monetarists and New Classical Economists.

â€¢ Indiaâ€™s Macroeconomic Crisis (1990/91): Internal and External Dimensions â€“ Its Implications. How the Crisis was overcome?

â€¢ Global Economic Crisis (2008/09) and Indian economy

â€¢ Why does Indiaâ€™s Economic Growth Process Falter?

Course outcomes

A student would be able to appreciate the macroeconomic developments and its implications fairly well, at the end of the course.

Grading policy

â€¢ I Term Test = 15%

â€¢ II Term Test = 15%

â€¢ Assignment: presentation on a chapter of Economic Survey = 20%

â€¢ End Term Examination = 50%

Assignments

Each student will be asked to read and present one chapter of Economic Survey of India, either individually or as a member of a group.

Resources

1. Hyman, D N (1997): Macroeconomics, The Mc-Graw Hill Companies, Inc, Chicago.
2. Mankiw, N Gregory (2012): Macroeconomics, Cengage Learning, Delhi.
3. Economic Survey, published annually by the Ministry of Finance, Government of India, New Delhi
4. RBI Report on Currency and Finance, published annually by the Reserve Bank of India.